Gutenberg Research
Financial Modeling Cooperative Education Program
A Real-World, Real-Time Financial Modeling Experience

Dealing with uncertainty is one of the most difficult aspects of a career in equity research or asset management. Even if an analyst is able to accurately project a company's earnings and cash flows, there is no guarantee of how the market will react to the results. Prospective analysts must therefore develop a level of comfort in dealing with uncertain outcomes, in addition to learning the fundamental modeling concepts, in an environment of imperfect data.

Our Cooperative Modeling Program delivers all of these critical components for your financial modeling development. We use a *real-world* company as the subject of our training, not a theoretical textbook example where all the datapoints fit together perfectly. Financial reporting can be complex, and companies are selective in what they disclose. A real subject company will help you learn how to deal with shortcomings in data availability, while you apply the techniques commonly accepted in practice.

Our program is taught in *real-time*, meaning you will build a financial model and project earnings for the subject company before the company reports quarterly results. On the night of the company's earnings release, we will read the filing, listen to the conference call, and update our model together as a group. This approach will give you the practice of developing a forecast in a scenario where you are not certain of the outcome, in a fun and relaxed setting.

Program Structure

There are multiple parts to our training program, which vary to some extent based on the delivery method you choose: 1) Standard, or 2) Self-Paced eLearning.

The *Standard* version is a true *cooperative learning experience*, meaning we will work directly with professors to tailor the schedule and topics to complement their curriculum. The *Self-Paced eLearning* program is designed for those who would like access to our training material, without participating in the live training sessions. Please refer to the "Program Comparison" chart for details of what is included in each version.

The primary curriculum follows our textbook with assigned readings and practice problems. In addition, there are pre-record training sessions, which are complemented by live video conference meetings.

Students will be responsible for submitting an earnings model covering the subject company and completing an exam which is administered online. Students may also submit an Equity Risk Premium Model and written summary of their model if they wish (not required). In addition, those who complete the program will be given the option to have their model published on GutenbergResearch.com.

A Fully Integrated Modeling Experience

Our program provides a one-company example for a truly integrated experience. This means:

- You will learn how the three financial statements are linked together through multiple accounts,
- Your target share valuation of the company will be based on multiple approaches, and linked to the earnings and cash flows from your financial statement model, and
- Your share valuation will be linked to external financial metrics (primarily interest rates and volatility). This will give you much needed insight of how general market conditions can have a significant impact on your model.

You Can Do This!

The list of topics covered in our program may intimidate some students, but trust us, you can do this. We have worked with students from all backgrounds, many with no prior modeling experience. Our program breaks down the concepts into clear, digestible pieces. Our sessions are designed to be fun and low stress, the perfect environment for you to develop. In the end, you will be shocked at what you were able to accomplish, and feel empowered to repeat it again when you start your career.

Ready to Get Started?

For additional details, to sign-up for program alerts, or to enroll visit GutenbergResearch.com/Co-op
Professors may reach out to the instructor directly: John.Moschella@GutenbergResearch.com

Program Comparison—What is Included		
Delivery Method	Standard	Self-Paced eLearning
Cost[1]	$299 per student	$149 per student
Includes:		
Printed version of the textbook[2]	Yes	No
Printed version of Supplemental Modeling Guide	Yes	No
Printed version of Program Course Pack	Yes	No
Electronic version of the textbook	Yes	Yes
Access to the online training hub and pre-recorded video training sessions	Yes	Yes
Three private group class video conference meetings[3]	Yes	No
Two group meetings with all current students participating in the co-op program[4]	Yes	No
Live question support in class	Yes	No
Question support via email[5]	Yes	Yes
Access to the exam	Yes	Yes
Model review and feedback	Yes[6]	No
Model publishing on GutenbergResearch.com	Yes (optional)	No

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[1] Student discounts are available for professors, universities, or investment clubs who have established a relationship and pricing agreement with Gutenberg Research.

[2] The Standard version of the program include a Course Kit, which consists of: A printed copy of the textbook, Supplemental Modeling Guide, and Program Course Pack. The Standard programs also includes free shipping to the Contiguous United States. All other locations are subject to additional shipping charges which will be calculated upon checkout.

[3] Private class meetings will be scheduled for classes who have signed-up as a group. A professor or university investment club leader may register the class as a group. No "one-on-one" individual sessions will be scheduled, however, all meetings will be recorded for those who are unable to attend.

[4] The two group meetings refer to the live sessions held when the subject company reports earnings results, and when the Federal Reserve's FOMC releases their interest rate Policy Statement. Given that these releases are held on specific dates and times, it is not possible to have separate meetings for individual classes. Instead we will hold these sessions in larger groups from the various schools participating in the program.

[5] Students enrolled in the Standard program will receive priority with answers provided within 24 to 48 hours. Self-Paced eLearning student questions will be answered within 5 business days.

[6] The Standard Co-op Program includes two model feedback points: one after the model is constructed, and a second after the future period forecast and target share valuation is complete. Refer to the Program Schedule table for details.

2021 Co-op Program Schedule (Standard Delivery)

The program is broken-down into four primary modules. In Module 1, we will build a three-statement model for the subject company (we will be using Starbucks Corp). Next, we will enter key inputs into the model to create a financial forecast. We will then use the forecast to estimate a target share valuation. Module 4 will complete the learning process with feedback on your model, and a review of the actual results when the company reports earnings.
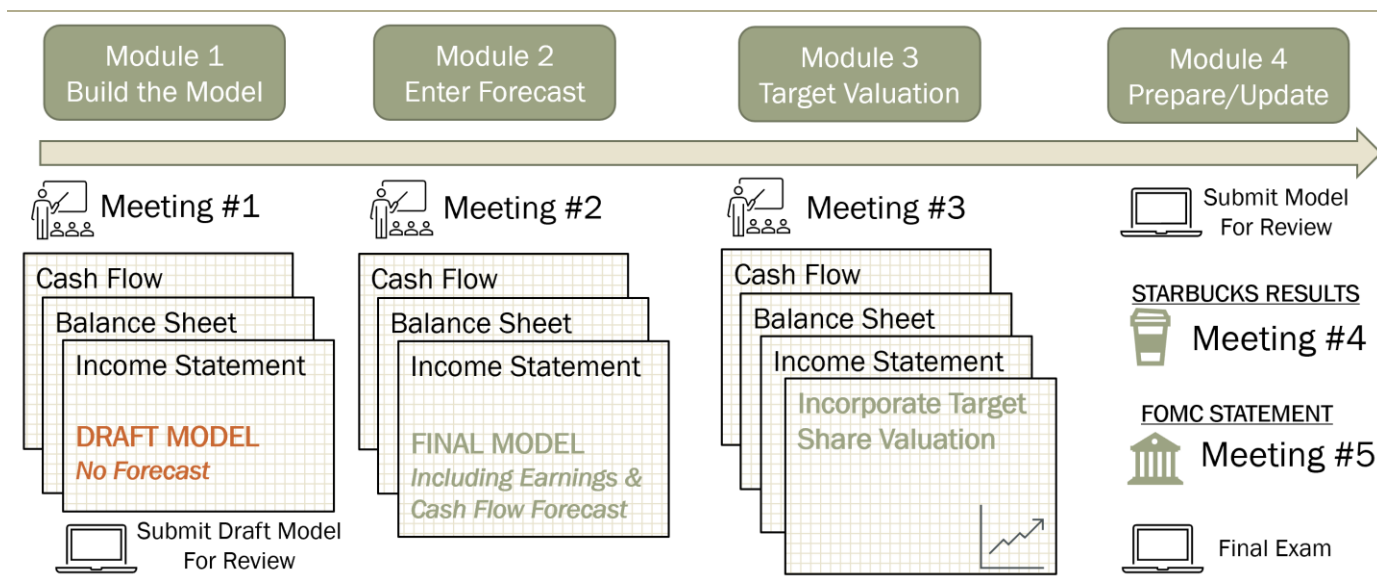
The following schedule includes tentative program dates with the details of key deliverables. These estimates represent general guidelines, depending on when the subject company reports results, as well as the schedules for individual classes. Final dates will be distributed to participants at the start of each semester. Recordings of the training sessions will be posted to the training hub for those who are unable to attend.

Program Schedule	Fall Semester	Spring Semester
Subject Company	Starbucks Corp	Starbucks Corp
Enrollment Begins	8/3/2021	12/15/2021
Enrollment Deadline (Standard Format)	9/12/2021	1/20/2022
Enrollment Deadline (Self-Paced eLearning Format)	10/15/2021	2/18/2022
Live Program Information Session	Pre-recorded, questions via email	Pre-recorded, questions via email
Orientation	9/3/2021 6:00pm EST	1/20/2022 6:00pm EST
Module 1: Building a Three-Statement Model (Classes 1 through 3)		
Class 1: Introduction to Financial Modeling **Topics covered:** Fundamental Principles of Modeling, the earnings cycle, basic Excel functionality, and model layout. **Assignment:** Watch pre-recorded orientation and Chapter 1 demonstration videos, read Chapter 1 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 9/12/2021	Suggested Completion Date 1/28/2022
Class 2: Building the Income Statement **Topics covered:** Model setup, entering historic data, selecting the drivers of the earnings forecast, and adjusting for non-GAAP items. **Assignment:** Watch pre-recorded Chapter 2 demonstration videos, read Chapter 2 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 9/12/2021	Suggested Completion Date 2/4/2022
Class 3: Balance Sheet and Cash Flow Modeling **Topics covered:** Completing the historic financials, modeling assets/liabilities/equity, Cash Flow Statement modeling, and the primary links between the financial statements. **Assignment:** Watch pre-recorded Chapter 3 demonstration videos, read Chapter 3 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 9/16/2021	Suggested Completion Date 2/11/2022

1st Live Meeting: This session will feature a demonstration of the "solution" model, and will address any questions.	9/16/2021 6:00pm EST	2/11/2022 6:00pm EST
1st Deliverable: Three-statement model with future period projection equations. The purpose of this deliverable is to ensure the structure of your model is correct prior to moving on to the next steps (required).	Due Date 9/24/2021	Due Date 2/19/2022
1st Model Feedback: This first model review will focus on the structure of the model, and the primary links between the financial statements.	9/30/2021	4/1/2022

Module 2: Using the Model to Create an Earnings/Cash Flow Forecast (Class 4)

Class 4: Model Calibration & Forecasting **Topics covered:** Considering historic trends, adjusting for seasonality, adjusting for changes in circumstances, considering management's guidance, reviewing the consensus estimates, and incorporating your forecast thesis into the model. **Assignment:** Watch pre-recorded Chapter 4 demonstration videos, read Chapter 4 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 9/30/2021	Suggested Completion Date 4/1/2022
2nd Live Meeting: This session will feature a demonstration of some of the key forecasting concepts covered in the text using bull and bear-case scenarios for the subject company.	9/30/2021 6:00pm EST	4/1/2022 6:00pm EST

Module 3: Using the Forecast to Create a Target Share Valuation (Classes 5 through 7)

Class 5: The DCF Inputs (Beta, ERP, CAPM, and WACC) **Topics covered:** Calculating the Equity Risk Premium, deriving beta using the regression function in Excel, calculating the required return on equity using the Constant-Sharpe approach, calculating the Weighted Average Cost of Capital. **Assignment:** Watch pre-recorded Chapter 5 demonstration videos, read Chapter 5 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 10/6/2021	Suggested Completion Date 4/8/2022
Class 6: Discounted Cash Flow Valuation **Topics covered:** Using a two-stage DCF approach, calculating and understanding the DCF valuation. **Assignment:** Watch pre-recorded Chapter 6 demonstration videos, read Chapter 6 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 10/10/2021	Suggested Completion Date 4/11/2022
Class 7: Market Multiple-Based Valuation **Topics covered:** Separating net cash or other assets/liabilities, historic multiples, competitor/industry average multiples, considering risk through a price band. **Assignment:** Watch pre-recorded Chapter 7 demonstration videos, read Chapter 7 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 10/14/2021	Suggested Completion Date 4/14/2022
3rd Live Meeting: This session will cover the key topics from Chapters 5 through 7, and address any questions from the students.	10/14/2021 6:00pm EST	4/14/2022 6:00pm EST
2nd Deliverable: Final model including forecast and target share valuation, with description of assumptions (required). You may also submit your versions of the ERP Model if you have selected to enter your own interest rate/volatility projections (optional). **Model Publication:** Students will have the option to publish their model for the Gutenberg Research Financial Modeling Community along with a description of their work and forecast assumptions (optional).	Due Date 10/16/2021	Due Date 4/16/2022
Final Model Feedback: This second model review will focus on the earnings forecast and share valuation.	10/25/2021	4/27/2022

Module 4: Preparing for, and reviewing the company's results (Class 8)

Class 8: How to Use the Model **Topics covered:** Scenario and sensitivity analysis, preparing for the release, and updating the model after the release **Assignment:** Watch pre-recorded Chapter 8 demonstration videos, read Chapter 8 of the text, and complete the "Concept Quiz" questions at the end of the chapter.	Suggested Completion Date 10/23/2021	Suggested Completion Date 4/25/2022
4th Live Meeting: This meeting will focus on updating the Starbucks model live, in real-time, after the company releases their quarterly results. The instructor (John Moschella) will update the "base-case" version while explaining to the students how to update their models.	10/28/2021 6:00pm EST	4/28/2022 6:00pm EST

Optional Final Session

5th Live Meeting: Federal Reserve FOMC Meeting The instructor (John Moschella) will update the Equity Risk Premium (ERP) Model live as the FOMC releases their Policy Statement on interest rates. The meeting will concluded with a demonstrate of how to incorporate the latest ERP Model output into the subject company's model to capture the valuation impact of the changes in interest rates.	11/3/2021 1:45pm EST	5/4/2022 1:45pm EST
Final Exam: The exam will be administered online at GutenbergResearch.com (required).	6:00am 11/12/2021 through 3:00pm 11/13/2021	6:00am 5/6/2022 through 3:00pm 5/7/2022